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SIPDIS

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SUBJECT: MONTENEGRO PROGRESSES ON PROTECTION OF INTELLECTUAL PROPERTY RIGHTS (IPR)

REF: Podgorica 27

¶1. (U) SUMMARY: Montenegro made steady progress on protecting intellectual property rights (IPR) in 2006. The government official who has been in charge of IPR has been promoted to deputy prime minister, from which position she can more effectively require cooperation on protecting IPR. In 2007, Montenegro is seeking to conclude a Stabilization and Accession Agreement (SAA) with the EU, and join the WTO, both of which require enhanced IPR protection. End summary.

Progress in 2006: Legislation

¶2. (U) After regaining independence on June 3, 2006, the GoM declared that the intellectual property rights laws of the former State Union of Serbia and Montenegro would continue in force. On July 25, the Montenegro Penal Code was amended to allow ex officio prosecution of IPR criminal offenses, and the confiscation and destruction of infringing items. On December 26, 2006, the Parliament passed the Optical Disks Law, which conforms to international standards.

Enforcement

¶3. (U) Active enforcement of Montenegro's IPR law began on January 1, 2006. Enforcement was most evident in the sale of music and video recordings and software, with a significant decrease in the availability of pirated goods. The GoM Market Inspectorate conducted 406 ex officio inspections, and nine upon the request of rights holders. Irregularities were discovered in 198 ex officio inspections, and in all nine requested inspections, leading to the confiscation of goods valued at Euros 20,953. Additionally, fines were imposed in 30 cases, and 65 criminal cases were initiated.

Government Software

¶4. (U) The GoM has signed a partnership agreement with Microsoft covering the use of software, and the Prime Minister and other senior GoM officials meet frequently with senior Microsoft officials.

WIPO

¶5. (U) On December 4, 2006 a Declaration of Continuity was submitted to the World Intellectual Property Organization (WIPO), confirming that all the international agreements administered by WIPO that were binding on the former State Union are recognized as binding on Montenegro.

Benefit Sharing

¶6. (U) The first collecting society of music composers - "PAM CG" was established on March 10, 2006. Arrangements between "PAM CG" and foreign collection societies are being made in order to enable collecting of royalties for foreign authors in Montenegro and for Montenegrin authors abroad. (Note: "PAM CG" is a direct result of a USG-sponsored "Speakers' Program" on IPR issues in Montenegro in 2006. End note.)

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IPR Plans for 2007

¶7. (U) The GoM in December adopted its action plan to implement its finalized (but not signed) Stabilization and Accession Agreement (SAA) with the EU (Ref). The Plan and its annexes set out in-depth steps needed to quickly raise the standard of IPR protection in Montenegro, prior to the signing of an Interim Agreement with the EU, which is expected in first half of 2007 (Ref). The Plan's annexes include a list of WIPO Conventions to which Montenegro plans to accede. Additional emphasis will be placed on Montenegro's protection of IPR during its discussions to join the WTO.
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